

Monthly MCO Compliance Report

Medallion 4.0 September 2019 Deliverables



Health Care Services Division

November 26, 2019

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from September 2018	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	6.0	1.0	0.0	7.0	FINDINGS EI Claim Issue CONCERNS Appeals Issue
<u>Anthem</u>	4.0	1.0	0.0	5.0	FINDINGS Data Error CONCERNS Appeals Issue
<u>Magellan</u>	6.0	1.0	0.0	7.0	FINDINGS Data Error CONCERNS Appeals Issue
<u>Optima Health</u>	14.0**	0.0	0.0	14.0**	CONCERNS Late Submissions
<u>United</u>	6.0	0.0	0.0	6.0	N/A
<u>VA Premier</u>	9.0	2.0	0.0	11.0	FINDINGS Call Center Stats EI Claim Issue CONCERNS Late Submission Appeals Issue

**All listed point infractions are pending until the expiration of the 15 day comment period.*

***Optima has one compliance point in suspended status pending a Department review of CES # 2311, detailed below*

Notes:

-**Findings**- Area(s) of violation; point(s) issued.

-**Concerns**- Area(s) of concern that could lead to potential findings; **no** points issued.

-**Expired Points**- Compliance points expire 365 days after issuance. Thus, all points issued in September 2018 (Issue date: 10/15/18) are expired as of 10/15/19 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on October 31, 2019 to review deliverables measuring performance for September 2019 as well as other reported program issues. The CRC consists of five managers and supervisors from the Health Care Services division who vote on what, if any, compliance enforcement actions to take in response to identified issues of potential non-compliance.

The CRC voted to issue compliance points to managed care organizations (MCOs) for data errors in reporting deliverables, untimely payment of early intervention (EI) claims, and failure to meet call center requirements. In addition, some MCOs had issues with resolving member appeals within the proper timeframe and one MCO submitted a deliverable after the applicable due date.

Each MCO's compliance findings and concerns are further detailed below. Data related to the Health Care Services Division's compliance activities are also included. The Department communicated the findings of its review of September's compliance issues in letters issued to the MCOs on November 12, 2019.

Aetna Better Health of Virginia

Findings:

- **Untimely Payment of EI Claims:** The Department timely received the September 2019 Early Intervention Services Report deliverable from Aetna. Upon review, the Compliance Unit discovered that the report indicated that Aetna failed to adjudicate 1 clean claim for EI services within 14 days of its receipt in September 2019.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, Aetna violated the terms of the Medallion 4.0 contract in failing to adjudicate a clean claim for EI services within 14 days of its receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. As a result, the CRC voted to assess Aetna a **one (1) point violation** due to its failure to adjudicate a clean claim within 14 days of its receipt.

Aetna has accumulated 7.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, Aetna will not be issued financial sanctions for this issue. The CRC voted not to require Aetna to submit a corrective action plan (CAP). **(CES # 2369)**

Concerns:

- **Appeals Issue:** The Department timely received the September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Aetna. Upon review, a Department subject matter expert discovered that the reports indicated that Aetna failed to adjudicate 1 internal appeal within 30 days of its filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Aetna's September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Aetna failed to adjudicate 1 internal appeal within 30 days of its filing, and Aetna did not request an

extension for that appeal. Thus, Aetna violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending December 15, 2019, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Aetna be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2414)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for September 2019, Aetna showed a generally high level of compliance. Aetna timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Aetna's member and provider call centers complied with abandonment ratio requirements, and outside of an issue listed above (in **CES # 2369**), Aetna complied with all applicable provider payment timeliness requirements. Aetna failed to timely adjudicate an internal appeal (addressed above in **CES # 2414**). In summation, Aetna complied with most applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Data Submission Error:** The Department timely received the September 2019 MCO Call Center Statistics deliverable from Anthem. Upon review, it was determined that the deliverable contained data errors. Specifically, the sum of the answered and dropped calls for the provider call center did not equal the total number of provider calls reported, as required by Section 1.5.23.2 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Anthem violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" should receive 1 point. As a result, the CRC voted to assess Anthem a **one (1) point violation** due to reporting errors in its MCO Call Center Statistics deliverable.

Anthem has accumulated 5.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, Anthem will not be issued financial sanctions for this issue. The CRC voted not to require Anthem to submit a CAP. **(CES # 2409)**

Concerns:

- **Appeals Issue:** The Department timely received the September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Anthem. Upon review, a Department subject matter expert discovered that the reports indicated that Anthem failed to adjudicate 9 internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Anthem's September 2019 Appeals & Grievances Summary and FAMIS

Appeals & Grievances Summary deliverables showed that Anthem failed to adjudicate 9 internal appeals within 30 days of their filing, and Anthem did not request an extension for those appeals. Thus, Anthem violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending December 15, 2019, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2410)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for September 2019, Anthem showed a generally high level of compliance. Anthem timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One monthly deliverable contained data errors (addressed above in **CES # 2409**). Anthem's member and provider call centers complied with abandonment ratio requirements, and Anthem complied with all applicable provider payment timeliness requirements. Anthem failed to timely adjudicate 9 internal appeals (addressed above in **CES # 2410**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

- **Data Submission Error:** The Department timely received the August and September 2019 MCO Newborn Reconciliation File deliverables from Magellan. Upon review, it was determined that the September deliverable contained data errors. Specifically, the date field was not formatted properly, in violation of Section 1.6.6.2 of the Medallion 4.0 Deliverables Technical Manual. In addition, Magellan personnel contacted the Department and indicated that both the August and September deliverables contained some inaccurate data.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Magellan violated the terms of the Medallion 4.0 contract in the deliverable submissions addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" should receive 1 point. However, Section 10.1.C.b of the Medallion 4.0 contract grants the Department the discretion to waive compliance points, "for instances when the Contractor identifies and self-reports infractions." Because two reporting deliverables contained reporting errors, but Magellan self-reported its errors, the CRC voted to assess Magellan **a one (1) point violation** due to reporting errors in its August and September 2019 MCO Newborn Reconciliation File deliverables.

Magellan has accumulated 7.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, Magellan will not be issued financial sanctions for this issue. The CRC voted not to require Magellan to submit a CAP. **(CES # 2372)**

Concerns:

- **Appeals Issue:** The Department timely received the September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Magellan. Upon review, a Department subject matter expert discovered that the reports indicated that Magellan failed to failed to

adjudicate 7 internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Magellan's September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Magellan failed to adjudicate 7 internal appeals within 30 days of their filing, and Magellan did not request an extension for those appeals. Thus, Magellan violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending December 15, 2019, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Magellan be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2415)**

MIP/CAP Update:

- No updates

Appeal Decision:

- **CES # 2312:** The Department received the following message from Magellan in regards to **CES # 2312**, a case in which Magellan was issued a one (1) point violation for untimely payment of EI claims:

"Good morning-

MCC of VA has had an opportunity to review the details of the Warning Letter (Case ID #2312)- Early Intervention Services Report August 2019 and would like to provide the following clarification and context for reconsideration of the 1 point assessment:

During the month of August, there were 2 claims out of 605 that were paid untimely. This resulted in an overall performance of 99.95 %. We continue to take all available actions to ensure timely processing of the claims within 14

days, however in the instance of these two claims the timing of the check run resulted in an additional delay to cause the untimeliness.

In addition, MCC of VA would like to submit for consideration, aligning the Medallion threshold for EI claims with the CCCPlus threshold of 95%. Aligning this measures will provide for better representation of overall performance vs. a per claim analysis. We would be interested in further conversations regarding this topic. Thank you in advance for the opportunity to provide context and background for reconsideration of the penalty point assessment. If you have any questions, please let me know.”

Upon reviewing Magellan’s statement, the CRC voted to uphold the actions taken in conjunction with **CES # 2312**. The Department sent the following response to Magellan:

“The Health Care Services Compliance Review Committee (CRC) recently met on October 31, 2019. During this meeting, the CRC reviewed Magellan's October 14, 2019 email, sent in response to compliance case ID #2312 (untimely adjudication of early intervention claims).

Magellan's email pointed out that Magellan timely adjudicated all but 2 early intervention claims for the month of August, 2019, which resulted in an overall performance of 99.95%. Magellan's email further pointed out that CCC Plus has a 95% threshold for timely adjudication of early intervention claims, and requested that Medallion 4.0 align with CCC Plus.

The CRC voted to uphold the one-point compliance penalty assessed to Magellan in compliance case ID #2312. The CRC noted that Magellan's request to align with CCC Plus may have merit, and may be discussed in the future. However, the CRC also pointed out that as of the August reporting period, no 95% threshold had been adopted by Medallion 4.0 and neither the Medallion 4.0 Contract nor the Medallion 4.0 Deliverables Technical Manual provided any threshold for timely adjudication of early intervention claims. As a result, the CRC voted to uphold the one-point compliance penalty assessed to Magellan in compliance case ID #2312.”

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance in September 2019, Magellan showed a generally high level of compliance. Magellan timely submitted all 23

required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Magellan submitted a deliverable containing reporting errors (addressed above in **CES # 2372**). Magellan's member and provider call centers complied with abandonment ratio requirements, and Magellan complied with all applicable provider payment timeliness requirements. Magellan failed to timely adjudicate 7 internal appeals (addressed above in **CES # 2415**). In summation, Magellan complied with most regulatory and contractual requirements.

Optima Health

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- **Untimely Deliverable Submissions:** Optima failed to timely submit its annual Member Handbook deliverable as required by Section 1.7.11 the Medallion 4.0 Deliverables Technical Manual. The deliverable was due September 30, 2019, but was not submitted until October 24, 2019 after prompting from the Compliance Team. Optima personnel indicated that the Member Handbook was incomplete as of the due date of September 30, 2019, due to Optima's pending purchase of Virginia Premier.

In addition, Optima failed to report hiring key personnel within 5 calendar days of the personnel's start date, in violation of Section 1.3.7 of the Medallion 4.0 Deliverables Technical Manual. Specifically, Optima failed to timely inform the Department of new hires of key personnel that took place on August 1, 2019 and September 30, 2019. Both new hires were reported to the Department on October 25, 2019, a date over 5 calendar days from the new hires' start dates.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Optima violated the terms of the Medallion 4.0 contract in the deliverable submissions addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a 1 point penalty. However, Optima provided the Department with credible evidence that it was unable to timely submit its annual Member Handbook deliverable due to unforeseen circumstances. In addition, the Department had not previously taken a compliance enforcement action related to untimely reporting of key personnel changes.

The Compliance Team recommended that in response to the issues identified above, Optima be issued two **Notices of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to

issue two **NONCs without associated compliance points or financial sanctions** in response to this issue. (CES # 2417 & 2429)

MIP/CAP Update:

- No updates

Appeal Decision:

- **CES # 2311:** The Department received the following message from Optima in regards to **CES # 2311**, a case in which Optima was issued a one (1) point violation for untimely payment of EI claims:

“Optima Health is in receipt of your letter dated October 9, 2019 for Case ID 2311: Early Intervention Services Report – Monthly. The Warning Letter indicated that Optima Health did not process thirty-three (33) clean EI provider claims within fourteen (14) calendar days for August 2019 data.

Per the *Medallion 4.0 Deliverables Technical Manual*, the Early Intervention Services Report is limited to “Clean Claims” which is defined in part as “2) The claim submitted for a child enrolled in Virginia’s Early Intervention program.” The EI indicator is required to identify that the claim is for an early intervention service. Procedure codes billed for EI services are not unique to early intervention and require the EI indicator to trigger the 14-day processing standard as well as a different fee schedule for some codes.

Optima has continued to evaluate our processes in order to improve the timely processing of Early Intervention claims. Through our research, it has been identified that the Early Intervention indicator on the 834 file is being reported with a retrospective effective date and thus causing the claim to be identified as a “traditional” claim and not an early intervention service.

Because of the timing of the early intervention indicator, these claims should not be considered “clean” and therefore, not included in this report. As a result, Optima respectfully requests that no compliance points are issued until the EI indicator on the 834 issue is resolved.

Please advise how the Department will ensure that claims falling within this scenario are not considered “clean” nor held to the 14-day processing standard. Thank you for the opportunity to respond to this Warning Letter.”

Upon reviewing Optima’s statement, the CRC voted to research the issue further. The CRC also voted to suspend the compliance point associated with **CES # 2311** pending a formal investigation of the matter. The Department sent the following response to Optima:

“Good Afternoon,

The Health Care Services Compliance Review Committee (CRC) recently met on October 31, 2019. During this meeting, the CRC reviewed Optima's October 24, 2019 letter, sent in response to compliance case ID #2311 (untimely adjudication of early intervention claims).

The CRC voted that the issue requires more research on DMAS' end. DMAS' internal subject matter experts will investigate the issue. During the course of this investigation, DMAS may reach out to Optima regarding this issue for further information. Until the investigation is complete, the Compliance Unit will place Optima's compliance points and associated financial sanctions for case #2311 and any similar cases in suspended status.”

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for September 2019, Optima showed a generally very high level of compliance. Optima timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. An annual deliverable and an incident-triggered deliverable were delivered untimely (addressed above in **CES # 2417 & 2429**). Optima's member and provider call centers complied with abandonment ratio requirements, and Optima complied with all applicable provider payment timeliness requirements. In summation, Optima complied with almost every regulatory and contractual requirement.

UnitedHealthcare

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for September 2019, United showed an outstanding level of compliance. United timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. United's member and provider call centers complied with abandonment ratio requirements, and United complied with all applicable provider payment timeliness requirements. In summation, United was a top performer in September 2019, and complied with every regulatory and contractual requirement.

Virginia Premier

Findings:

- **Call Center Statistics:** Based on Virginia Premier's September 2019 MCO Call Center Statistics deliverable, Virginia Premier answered 90.9% of incoming provider calls in the month of September 2019. Per Section 5.4.A of the Medallion 4.0 contract, in order to be compliant, Virginia Premier was required to answer at least 95% of incoming provider calls. Virginia Premier failed to answer enough incoming provider calls to be in compliance in September 2019.

According to Section 10.1.E.b of the Medallion 4.0 contract, failures to comply with the contract that "represent[] a threat to [the] smooth and efficient operation" of the Medallion 4.0 program are subject to a 1 point penalty. As a result, the CRC voted to assess Virginia Premier **a one (1) point violation** for its failure to answer at least 95% of incoming calls to its provider call center.

Virginia Premier was assessed two compliance points in September 2019, and has thus accumulated 11.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, the Compliance Deficiency Identification System requires a plan in Level 2 to be issued a financial sanction in the amount of \$5,000 for each compliance enforcement action taken when its point total exceeds the 10.5-point threshold. In September 2019, one compliance enforcement action was taken against Virginia Premier when it had exceeded the 10.5-point threshold. As a result, Virginia Premier will be assessed a **\$5,000 financial sanction** for its failure to meet provider call center requirements (but not for its untimely payment of EI claims, addressed below). The CRC voted not to require Virginia Premier to submit a CAP. **(CES # 2373)**

- **Untimely Payment of EI Claims:** The Department timely received the September 2019 Early Intervention Services Report deliverable from Virginia Premier. Upon review, the Compliance Unit discovered that the report indicated that Virginia Premier failed to adjudicate 4 clean claims for EI services within 14 days of their receipt in September 2019.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in failing to adjudicate clean claims for EI services within 14 days of their receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. As a result, the CRC voted to assess Virginia Premier a **one (1) point violation** due to its failure to adjudicate clean claims within 14 days of their receipt.

Virginia Premier was assessed two compliance points in September 2019, and has thus accumulated 11.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, the Compliance Deficiency Identification System requires a plan in Level 2 to be issued a financial sanction in the amount of \$5,000 for each compliance enforcement action taken when its point total exceeds the 10.5-point threshold. In September 2019, one compliance enforcement action was taken against Virginia Premier when it had exceeded the 10.5-point threshold. As a result, Virginia Premier will not be assessed a financial sanction for its untimely payment of EI claims (but will be assessed a financial sanction for its failure to meet provider call center requirements, addressed above). The CRC voted not to require Virginia Premier to submit a CAP. **(CES # 2371)**

Concerns:

- **Appeals Issue:** The Department timely received the September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Virginia Premier. Upon review, a Department subject matter expert discovered that the reports indicated that Virginia Premier failed to adjudicate 2 internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Virginia Premier's September 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Virginia Premier failed to adjudicate 2 internal appeals within 30 days of their filing, and Virginia Premier did not request an extension for those appeals. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a 1 point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending December 15, 2019, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2389)**

- **Untimely Deliverable Submission:** Virginia Premier failed to timely submit its annual Member Handbook deliverable as required by Section 1.7.11 the Medallion 4.0 Deliverables Technical Manual. The deliverable was due September 30, 2019, but was not submitted until October 17, 2019 after prompting from the Compliance Team. Virginia Premier personnel indicated that the Member Handbook was incomplete as of the due date of September 30, 2019, due to Optima's pending purchase of Virginia Premier.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a 1 point penalty. However, Virginia Premier provided the Department with credible evidence that it was unable to timely submit its annual Member Handbook deliverable due to unforeseen circumstances.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2390)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

The following financial sanctions will be sent to DMAS' Fiscal Division for enforcement:

- September 2019 Call Center Issue - \$5,000 (CES # 2373)

Summary:

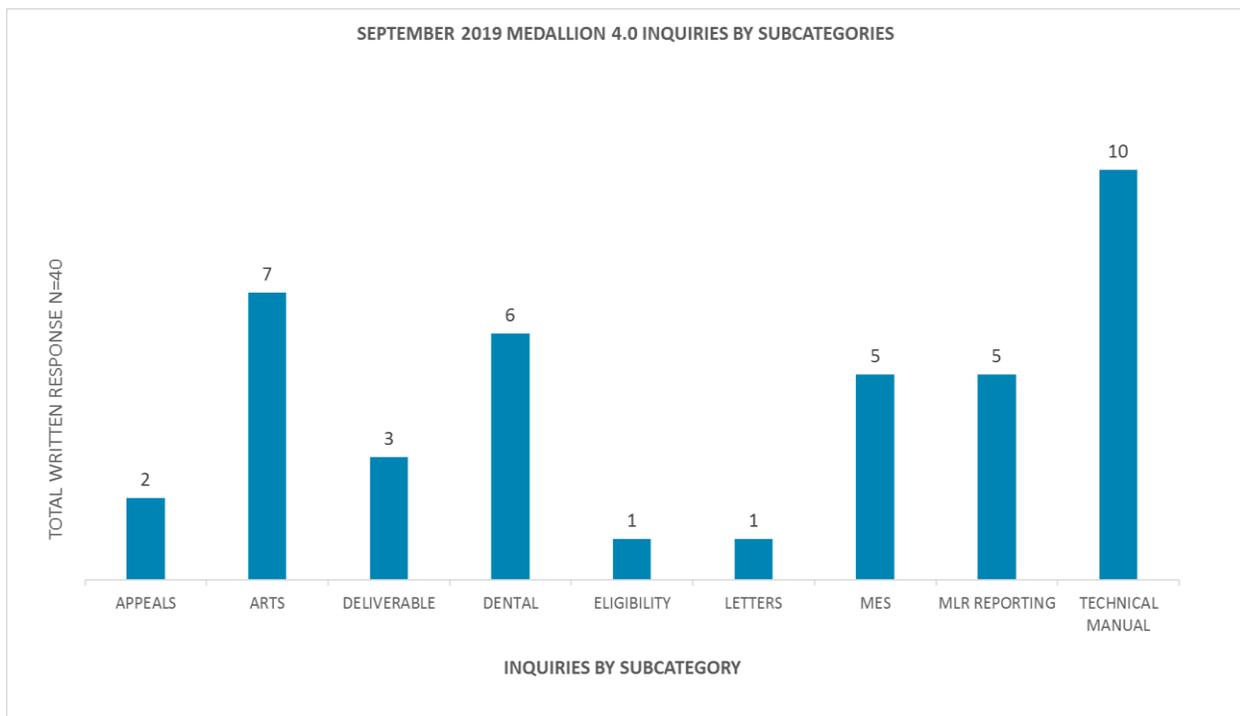
- For deliverables measuring performance in September 2019, Virginia Premier showed a generally high level of compliance. Virginia Premier timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. An annual deliverable was delivered untimely (addressed above in **CES # 2390**). Virginia Premier's member call centers complied with abandonment ratio requirements, but its provider call center did not meet the required answer/abandon rate (addressed above in **CES # 2373**). Outside of an issue listed above (in **CES # 2371**), Virginia Premier complied with all applicable provider payment timeliness requirements. Virginia Premier failed to timely adjudicate 2 internal appeals (addressed above in **CES # 2389**). In summation, Virginia Premier complied with most regulatory and contractual requirements.

Compliance Activity Data

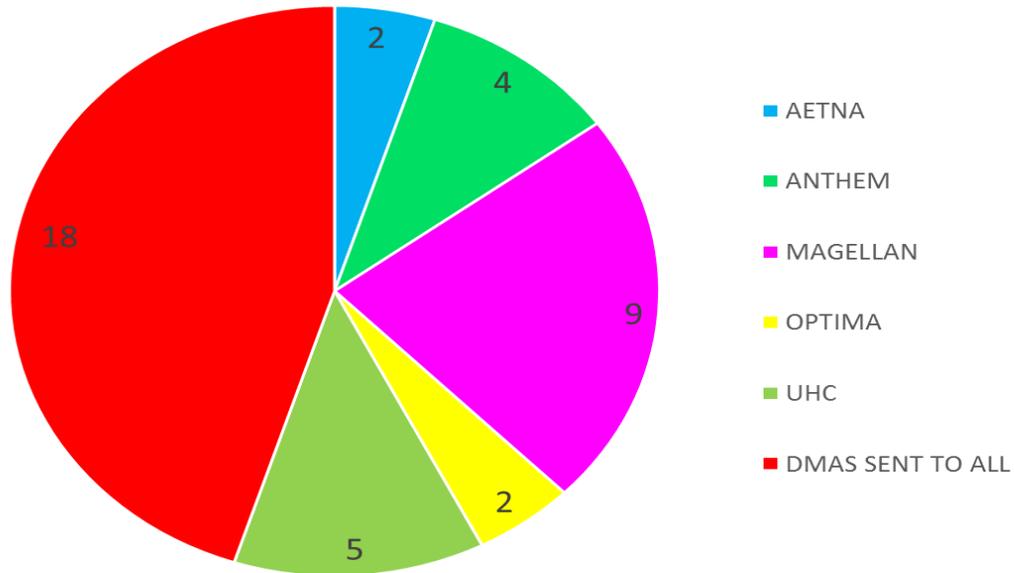
September 2019 – Member and Provider Solutions Unit

Member Inquiries <i>Received</i>	15
Provider Inquiries <i>Received</i>	24
MCO Inquiries <i>Received</i>	12
Constituent Concerns ("Pinks") <i>Received</i>	30
Marketing Materials <i>Reviewed</i>	99
Other Inquiries <i>Received</i>	101

MEDALLION 4.0 MAILBOX MONITORING



SEPTEMBER 2019 MEDALLION 4.0 INQUIRIES BY PROVIDER, STAKEHOLDER & MCO



*All received were responded to n=40

PROVIDER FRAUD ACTIVITY THROUGH SEPTEMBER

PROVIDER FRAUD ACTIVITY REFERRED TO MCOS		
Description	Open Cases	Closed Cases
GOOD CAUSE REFFERALS	0	16
PAYMENT SUSPENSIONS	0	15
INFORMATION REFEERAL TO MCO	0	8
ENDING PAYMENT SUSPENSIONS	0	15
MFCU INVESTIGATIONS	0	25
PROVIDER TERMINATIONS	0	31
PROVIDER TERMINATIONS (OTHER)	0	7
TOTAL	0	117

MEDALLION NEWBORN RECONCILIATION OVERSIGHT

MCO MED3	2017_09	2017_10	2017_11	2017_12	2018_01	2018_02	2018_03	2018_04	2018_05	2018_06	2018_07	2018_08	2018_09	2018_10
Anthem:	F	C	F	F	F	C	C	C	C	C	C	S	S	S
Coventry	F	F	F	F	F	C	C	C	F	C	C	C	C	S
INTotal	F	F	F	F	F	F	F	C	F	F	F	S	C	S
Kaiser	F	F	F	F	F	F	F	C	F	F	C	C	C	S
Optima	F	F	F	F	F	F	F	F	C	F	F	C	S	S
VA Premier	F	F	F	F	F	F	F	F	F	C	C	C	C	S

MED4 MCO	2018_08	2018_09	2018_10
Aetna	F	S	S
Anthem	F	S	S
Magellan	S	C	S
Optima	S	S	S
United	S	S	S
VA Premier	S	S	S

S - Recon request file has been submitted to DMAS and is being processed for reconciliation payment.

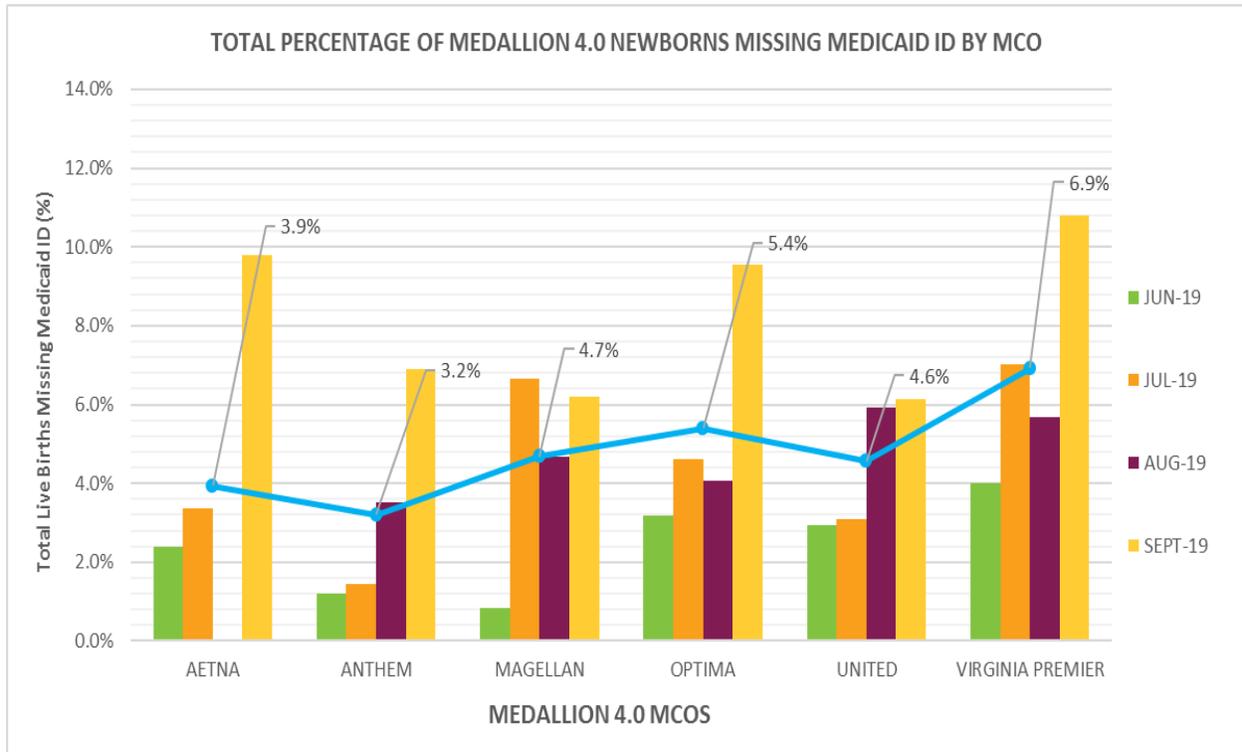
C - Waiting for MCO to approve Provider Payment Agreement in order to make final reconciliation payment and close the period.

F - Closed. All newborn processing is complete for the MCO for the period.

MEDALLION MAGELLAN BHSA CMHRS CLAIMS MONITORING

Reporting Month	Amount	Status	Retraction	Date Completed
SEPTEMBER	\$7,303.84	CLOSED	\$7,303.84	10/10/2018
OCTOBER	\$20,020.71	CLOSED	\$20,020.71	1/4/2019
NOVEMBER	\$198,261.12	CLOSED	\$119,047.14	3/29/2019
DECEMBER	\$13,432.02	OPEN	\$10,581.88	10/18/19: Pending additional \$1,755.80
JANUARY	\$6,396.68	OPEN	\$6,396.68	Pending
FEBRUARY	\$1,035.73	OPEN	\$596.16	Pending
MARCH	\$3,030.12	OPEN	\$2,668.41	Pending
APRIL	\$5,329.28	OPEN	\$1,035.24	Pending
MAY	\$0.00	CLOSED	\$0.00	NA
JUNE	\$291.48	OPEN	\$291.48	Pending
Retraction Due				\$12,743.77
Actual Retraction Completed				\$156,953.57

MEDALLION 4.0 LIVE BIRTHS OVERSIGHT



MEDALLION 4.0 MCO PROVIDER CONTRACT REVIEWS

Sub Dt_MCO	Name	Submission_of	DMAS_Comp	DMAS_Decision_1	MCO_Edits_Due	MCO_Comp_Days	DMAS_Decision_2	MCO_Edits_Due	MCO_Comp_Days	DMAS_Ap_Dt	Final_Status
6/27/2019	United	Accountable Care Organization (ACO) Agreement	29	Resubmission	9/24/2019	54	Resubmission	11/8/2019	74		Reviewing
8/22/2019	United	NPO Participation Agreement - Regulatory Appendix	4	Resubmission	10/25/2019	91	Reviewing				
9/19/2019	United	National Ancillary Provider Participation Agreement	29	Resubmission	12/17/2019	Pending MCO					

MEDALLION 4.0 MEMBER LETTERS DASHBOARD – SEPTEMBER

MEDALLION 4.0 LETTERS DASHBOARD - SEPT 2019			
	Date Approved	Date Sent	Total Letters Sent
Medallion 4.0 Assignment	9/20/2019	9/24/2019	7,510
Medallion 4.0 MedEx Assignment	9/20/2019	9/24/2019	11,478
Medallion 4.0 Re-Enrollment	9/20/2019	9/24/2019	2,082
Medallion 4.0 MedEx Re-Enrollment	9/20/2019	9/24/2019	1,262
Medallion 4.0 Change	NA	NA	0
Medallion 4.0 MedEx Change	NA	NA	0
Medallion 4.0 Maternal Child Health Letters	9/20/2019	9/24/2019	1,442
Total Letters Sent			23,774

Next Steps

At this time, the Compliance Unit is continuing monthly Compliance Review Committee meetings, following up on reoccurring issues, and communicating with the MCOs regarding identified issues. The Compliance Unit is in the process of expanding the types of compliance issues it investigates, and involving itself with programmatic issues as well as technical deliverable issues.

The Compliance Unit is expanding the amount of face-to-face contact it has with MCO compliance personnel, and has recently held its first round of monthly MCO compliance calls.

The Compliance Unit is also responsible for generating and maintaining policies and procedures for the Health Care Services Division. The Compliance Unit has generated six policy and procedure documents to date, and the long-term project to create policies and procedures is ongoing.